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November 10, 2016

The Honorable Larry Hogan
State House
100 State Circle
Annapolis, Maryland 21401

The Honorable Thomas V. Mike Miller
H-107 State House
100 State Circle
Annapolis, Maryland 21401

The Honorable Michael E. Busch
H-101 State House
100 State Circle
Annapolis, Maryland 21401

RE: Annual Charter School Report (MSAR #10541)

Dear Governor Hogan, President Miller and Speaker Busch:

The Maryland Public Charter School Program is governed by the Annotated Code of Maryland, § 9-101 *et seq.* of the Education Article. The statute requires the Maryland State Department of Education to report annually to the Governor and Maryland General Assembly regarding updates or amendments made to the public charter school policies of local school systems and implementation of the Maryland Public Charter School Program.

The attached report provides a general overview of the Maryland Charter School Program. Specifically the report includes:

- Summary information about Maryland's Charter Schools, including enrollment, demographics and 2016 performance data;
- A review of existing local policies as required by § 9-110(a) and § 9-110(c)(1);
- The availability of the charter school policies on the local school system website as required by § 9-110(a)(3);
- A summary of technical assistance provided by the Office of School Innovation in the Division of Student, Family, and School Support; and
- Updates on implementation of § 9-101 of the Education Article.

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If you have questions or need additional information, please contact Ms. Carol Beck, Director, Office of School Innovations, at (410) 767-3678 or via email at carol.beck@maryland.gov.

Best Regards,

A handwritten signature in cursive script that reads "Karen B. Salmon, Ph.D.".

Karen B. Salmon, Ph.D.
State Superintendent of Schools

Attachment

**Maryland's Public Charter Schools
Report to the Maryland General Assembly
Under Education Article Title 9**

**Maryland State Department of Education
December 1, 2016**

**Larry Hogan
Governor**

**Karen B. Salmon, Ph.D.
State Superintendent of
Schools**



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Background

The Maryland Public Charter School Program is governed by the Annotated Code of Maryland, § 9-101 *et seq.* of the Education Article. The statute requires the Maryland State Department of Education (MSDE) to report annually to the Maryland General Assembly in accordance with § 2-1246 of the State Governing Article regarding updates or amendments made to a public charter schools policy by local school systems and implementation of § 9-101 *et seq.* of the Education Article.

In addition to the requirements of the statute, this report provides to the Governor and the General Assembly a general overview of Maryland's Charter Schools. The report includes:

- A summary information about Maryland's charter schools, including enrollment and demographics;
- A review of existing local policies as required by § 9-110(a) and § 9-110(c)(1) and the availability of those policies on the local school system websites as required by § 9-110(a)(3);
- A summary of technical assistance provided by the Office of School Innovation in the Division of Student, Family, and School Support; and
- An update on implementation of Education Article, Title 9.

1. Summary Information About Maryland's Charter schools, Including Enrollment, Demographics, and 2016 Performance Data.

History

The Maryland General Assembly enacted the Maryland Charter School Program in 2003, "to establish an alternative means within the existing public school system in order to provide innovative learning opportunities and creative educational approaches to improve the education of students." [§ 9-101 (b)].

The key provisions of the Maryland Charter School Law include:

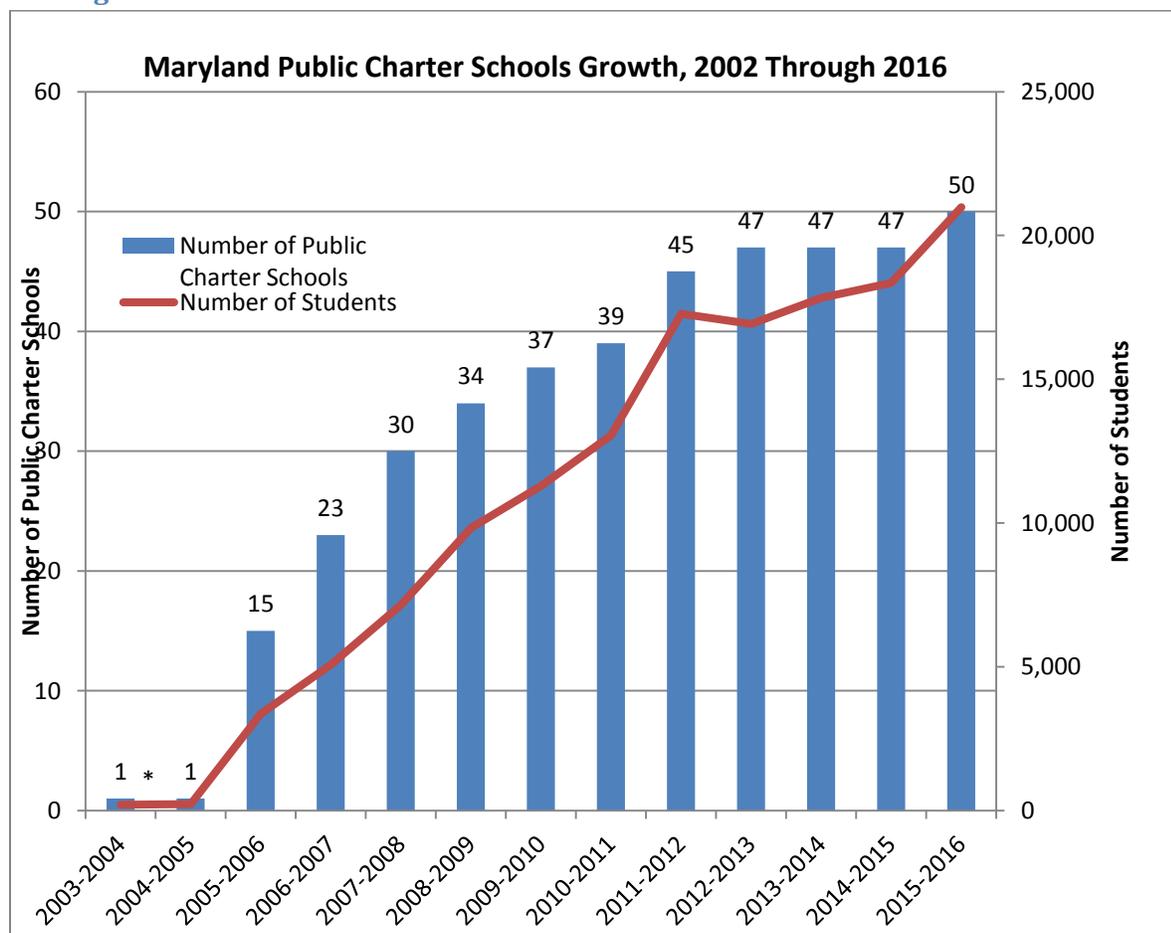
- Local School Boards are the authorizers of public charter schools;
- Public Charter Schools comply with all State and local education laws and policies, unless waived;
- Employees of public charter schools are employees of the local school system;
- Charter schools receive an amount of public funding that is commensurate with the amount of funding expended on behalf of all public school students; and
- Charter schools are open to all students. Admission is by lottery.

In the 2015 session the Maryland General Assembly added provisions that allow local school boards to approve proposals which would give greater weight in a lottery to disadvantaged students. In addition, under the revisions to the statute, the Maryland State Board of Education

(MSBE) was directed to establish criteria by which a local school board will assess a charter school’s eligibility for additional operational autonomy.

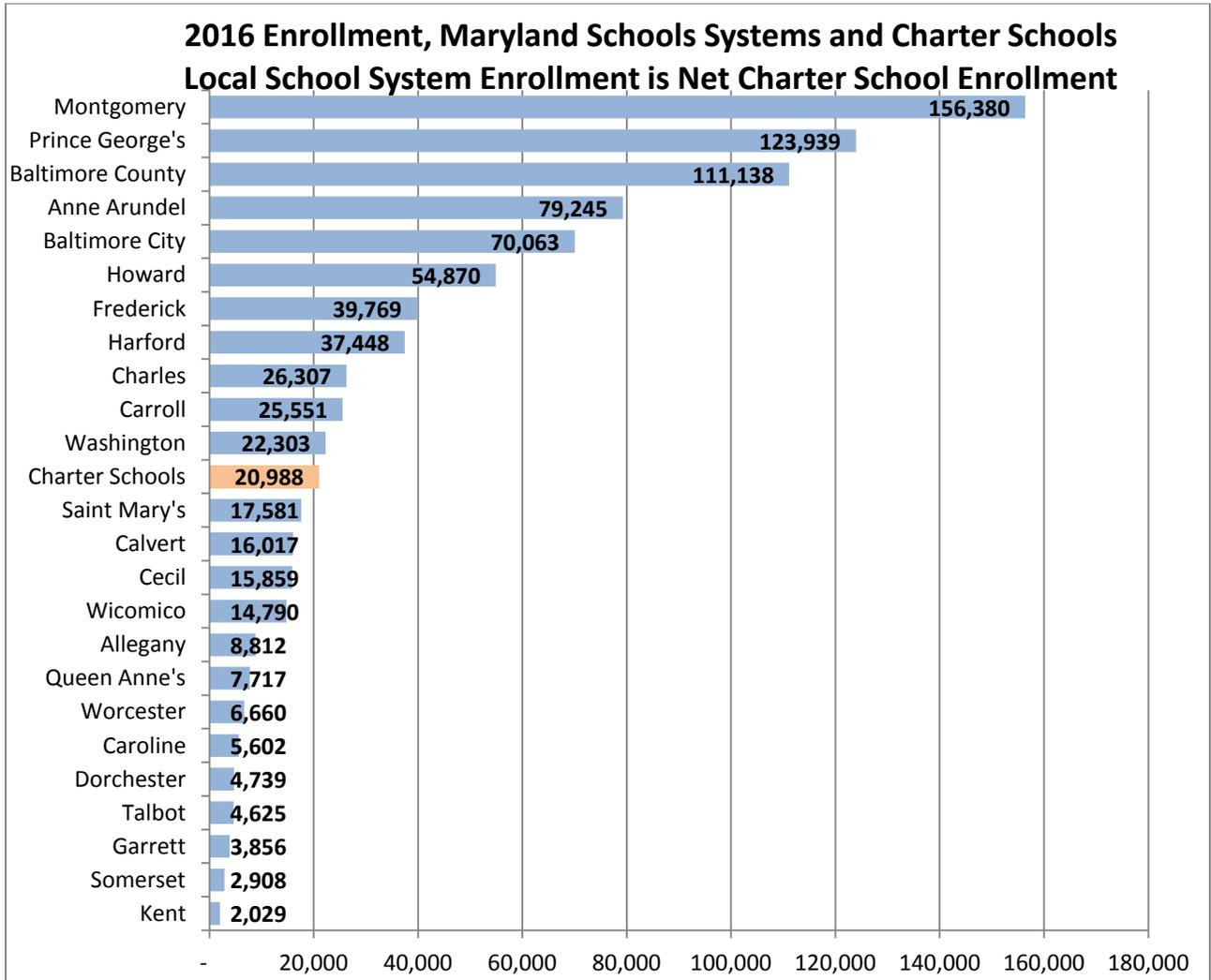
In the 2016-2017 school year, 49 public charter schools serve over 20,000 students (2 percent of Maryland public school students) in five jurisdictions within Maryland. There are 33 public charter schools in Baltimore City, 10 public charter schools in Prince George’s County, three in Frederick County, two in Anne Arundel County, and one in St. Mary’s County. Figure 1 is the number of charter schools and charter school enrollment for each year 2004 through 2016. Figure 2 shows the total number of students in public charter schools relative to the enrollment of Maryland’s local school systems in 2016.

Figure 1. Maryland Public Charter Schools – Number of Schools and Total Enrollment, 2004 Through 2016



* Monocacy Valley Public Charter School was approved by the Frederick County School Board in 2001 before passage in 2003 of Maryland’s Charter Law.

Figure 2. Total Enrollment of Maryland Local School Systems and Maryland Charter Schools, 2016



Renewal and Applications

During the 2015-2016 school year, 13 public charter schools completed a contract renewal review with their local board of education. Twelve of the 13 schools were renewed as shown in Table 1.

In addition, Baltimore City reviewed four applications for new charter schools in the 2105-2016 school year. Three were declined and one was approved to open in the 2017-2018 school year. No other jurisdictions received applications for consideration in the 2015-2016 school year.

Table 1. Maryland Public Charter School Renewal Reviews and Outcomes, 2015-2016

Local School System	Number of Charter Schools Reviewed for Renewal	Outcome
Baltimore City	10	1: Non renewed, school closed at end of 2015-2016 4: 5-year renewal 4: 3-year renewal 1: 1-year extension granted
Prince George's County	2	1: 5-year renewal 1: 1 year extension granted
Frederick County	1	1: 3-year renewal with additional review in 1 year

Demographics

Maryland's public charter schools serve a diverse array of students. Table 2 provides the percentage of students attending all public schools and all public charter schools who are eligible for Free and Reduced Price Meals (FARMS) and the percentage of students with disabilities (SWD). Cumulatively, for each grade band, the percentage of students in public charter schools who are eligible for FARMS is greater than that of the State. In Baltimore City, the percent of students eligible for FARMS and the percent of students with disabilities are comparable. Outside of Baltimore City, a lower percentage of students are eligible for FARMS or who have disabilities attend charter schools than traditional schools in the school system.

Table 2. Percent of Students Eligible for Free and Reduced Price Meals (FARMS) and Percent of Students with Disabilities (SWD) Attending all Public Schools and all Public Charter Schools, 2016

Percent Students Eligible for Free and Reduced Price Meals and Students with Disabilities, 2016					
	Grade Band	Type	FARMS %		SWD %
All Maryland (50 Charter Schools)	Elementary	Charter	55.0		9.2
		All Schools	48.9		11.4
	Middle	Charter	55.4		11.0
		All Schools	43.4		11.6
	High	Charter	64.3		20.7
		All Schools	37.8		10.9
Baltimore City (34 Charter Schools)	Elementary	Charter	72.4		14.3
		All Schools	71.6		12.8
	Middle	Charter	72.2		15.6
		All Schools	75.2		18.0
	High	Charter	75.0		24.6
		All Schools	71.4		17.8
Prince Georges County (10 Charter Schools)	Elementary	Charter	46.2		3.7
		All Schools	68.9		10.4
	Middle	Charter	34.5		4.5
		All Schools	64.1		11.8
	High	Charter	21.8		6.6
		All Schools	55.6		11.8
Anne Arundel County (2 Charter Schools)	Elementary	Charter	25.2		11.3
		All Schools	38.3		9.4
	Middle	Charter	27.7		<5
		All Schools	33.6		9.6
	High	Charter	25		5.1
		All Schools	28.7		8.5
Frederick County (3 Charter Schools)	Elementary	Charter	16.4		6.9
		All Schools	32.8		10.6
	Middle	Charter	14.9		<5
		All Schools	25.6		10.3
St. Mary's County (1 Charter School)	Elementary	Charter	6.9		7.3
		All Schools	37		9.6
	Middle	Charter	<5		<5
		All Schools	31.1		10.0

Performance

Table 3 lists the percentage of students scoring 4 or 5 (out of 5 levels) on the 2016 administration of assessments of the Partnership for Assessment of Readiness for College and Careers (PARCC) in fourth and eighth grades for all public schools and all public charter schools in the local school system.

Table 3. PARCC – Percent of Students Scoring 4 and 5 for all Public Schools and all Public Charter schools, Math and English, 2016

PARCC 2016 - % SCORING 4 OR 5					
2016					
School Type	4th English	4th Math	8th English	8th Math	Algebra
Baltimore City Charter	19.35	14.68	18.71	9.73	8.77
Baltimore City Non Charter	8.77	12.11	13.93	5.13	15.03
Charter Compared to District	10.58	2.56	4.78	4.59	-6.26
Charter Compared to State	-21.11	-22.41	-20.09	-12.35	-27.23
Prince George's Charter	24.89	9.59	40.63	24.78	52.41
Prince George's Non Charter	24.22	17.54	28.24	15.74	15.35
Charter Compared to District	0.66	-7.95	12.39	9.04	37.07
Charter Compared to State	-15.57	-27.50	1.82	2.70	16.42
Frederick Charter	42.86	25.77	70.69	48.15	90.32
Frederick Non Charter	52.84	54.17	46.94	34.05	50.64
Charter Compared to District	-9.99	-28.40	23.75	14.10	39.68
Charter Compared to State	2.40	-11.32	31.89	26.07	54.33
Anne Arundel Charter	39.19	36.99	43.92	14.47	62.89
Anne Arundel Non Charter	49.78	42.16	41.70	9.54	44.42
Charter Compared to District	-10.59	-5.17	2.22	4.93	18.47
Charter Compared to State	-1.27	-0.10	5.12	-7.60	26.89
St. Mary's Charter	64.29	40.48	85.71	75.68	100.00
St. Mary's Non Charter	39.07	37.33	40.58	43.42	51.04
Charter Compared to District	25.22	3.15	45.13	32.25	48.96
Charter Compared to State	23.83	3.39	46.91	53.60	64.00
Maryland	40.46	37.09	38.80	22.07	36.00
Charter students outperform district					
Charter students outperform state average					
Charter students under district or state average					

Table 4 lists graduation rates for public charter schools serving high school students and the local school system rates. Data is not yet available for 2016

Table 4. High School Graduation Rates for all Public Schools and Public Charter Schools, 2013 -2015

Maryland High School Assessments and Graduation Rate, 2013 -2015, % Passing for Charter Schools and Local School Systems (Maryland Report Card)				
Local School System	SCHOOL_NAME	2013 GRAD RATE	2014 GRAD RATE	2015 GRAD RATE
Anne Arundel	Chesapeake Science Point	NA	100%	100%
Anne Arundel	All Anne Arundel Schools	85.6%	87.7%	87.4%
Baltimore City	ConneXions	80.0%	77.1%	65.0%
Baltimore City	MD Acad of Tech and Health	94.9%	76.8%	86.7%
Baltimore City	Independence School Local I	56.7%	69.6%	75.0%
Baltimore City	City Neighbors High School		90.0%	84.7%
Baltimore City	Baltimore Freedom Acad	50.0%	CLOSED	
Baltimore City	Coppin Academy	90.0%	87.0%	92.6%
Baltimore City	All Baltimore City Schools	68.5%	69.7%	66.3%
State	All MD Charter Schools	76.4%	84.9%	84.6%
State	All Maryland Schools	85.0%	86.4%	85.8%
Orange shading =	Graduation rate greater than Local School System			
Green shading =	Graduation rate greater than State			

2. Review of Existing Local Policies [9-110(a); 9-100(a)(3); 9-110(c)(1)]

The Maryland Charter Law requires that each local school system adopt a charter schools policy, post the policy to the local school system website, and provide the policy to MSDE. In addition, each local school system is required to name a charter school liaison.

After passage of the Maryland Charter Law in 2003, each local school system adopted a charter school policy. In a review of every local school system policy, MSDE found that all had adapted or adopted the model policy. Each policy contains key elements which include a definition of a public charter school, eligibility requirements for operators of public charter schools, an overview of the local school system process for evaluation of applications to operate public charter schools, and the process for earning a renewal of the charter. In most cases, the initial term of a charter contract is five years and renewal terms are three or five years. In two counties the initial terms are three and four years. To date, no initial contract term is longer than five years.

Table 5 is a summary of local school system compliance with requirements of the law to adopt a public charter school policy and to name a liaison. The Maryland State Department of Education reviews websites annually.

Table 5. Local School System Charter School Policies

Local School System	Charter Policy on Website	Date of Approval or most recent revision	Charter Liaison identified	Contact Listed on Website for charter school inquiries
1. Allegany County	✓	10/13/11	✓	
2. Anne Arundel County	✓	5/5/2010	✓	✓
3. Baltimore City	✓	11/13/2012	✓	✓
4. Baltimore County	✓	6/10/2014	✓	
5. Calvert County	✓	6/3/2013	✓	
6. Carroll County	✓	11/14/2012	✓	
7. Caroline County	✓	2008	✓	
8. Cecil County	✓	10/9/2008	✓	
9. Charles County	✓	9/9/2003	✓	✓
10. Dorchester County	✓	8/16/2008	✓	
11. Frederick County	✓	11/9/11	✓	
12. Garrett County	✓	6/15/05	✓	
13. Harford County	✓	8/9/10	✓	✓
14. Howard County	✓	7/1/16	✓	✓
15. Kent County	✓	10/6/2004	✓	
16. Montgomery County	✓	2/2/2015	✓	
17. Prince George's County	✓	4/29/10	✓	✓
18. Queen Anne's County	✓	2/6/2013	✓	✓
19. Somerset County	✓	11/18/2008	✓	
20. St. Mary's County	✓	5/25/2010	✓	✓
21. Talbot County	✓	2/13/2013	✓	
22. Washington County	✓	11/4/2014	✓	
23. Wicomico County	✓	11/13/2012	✓	
24. Worcester County	✓	10/1/2003	✓	

3. Technical Assistance Provided [9-110(b)(2)(i)]

The Director for the Office of School Innovations at MSDE meets with local school system liaisons six times a year. Attendance includes representatives from local school systems with and without operating charter schools. The forum provides an opportunity for collaborative review of aspects of the charter law and challenges that may arise in oversight of charter schools.

The group has provided input into the development of standards by which a local school board shall assess a public charter school’s eligibility for additional operational flexibility, in accordance with § 9-104.1.

The Maryland State Department of Education regularly responds to requests for information and technical assistance from local school systems, charter school operators, and the public. Inquiries include questions from potential operators seeking guidance on the application process and parents seeking information about charter school enrollment.

4. Implementation of the Maryland Charter Law

§ 9-104.1: Public Charter Schools—Eligible Charter Schools

The Maryland State Board of Education must determine measures by which a Maryland charter school meets “eligibility” to implement certain provisions of the Maryland Charter Law.

Section § 9-104 states that,

(a) In this section, “eligible public charter school” means a public charter school that has been in existence for at least 5 years and demonstrates to the public chartering authority a history of:

- (1) Sound fiscal management; and
- (2) Student Achievement that exceeds the average in the local school system in which the public charter school is located on:
 - (i) Statewide assessments; and
 - (ii) Other measures developed by the State Board.

The MSBE appointed a workgroup which reviewed options for eligibility criteria. Members of the workgroup met with a group which included stakeholders representing local school systems and charter school operators. Draft standards have been reviewed by the MSBE.

§ 9-102.2: Lottery—Weighting and Guaranteed Placement

A 2015 amendment to the charter law allows for a weighted lottery under certain circumstances. A public charter school may give greater weight to a student’s lottery status if the student is eligible for free and reduced price meals (FARMS), a student with disabilities, a student with limited English proficiency, or a student who is homeless. In addition, a charter school may propose to the local school board that the school provide a preference for a geographic attendance area, if the proposed area has a median income that is equal to, or less than that of the county. The plan can offer a preference for up to 35% of available seats. In each case, the proposal of the public charter school must be approved by the local school board. In three cases, public charter schools have sought to implement this provision. The schools are as follows:

Creative City Public Charter School, Baltimore City

Creative City is located in the Park Heights neighborhood of Baltimore City. The school proposed that it fill 30% of available seats from an area contiguous to the school. Baltimore City Schools asked that the percentage be 20%. The school agreed and the plan was approved by the Board.

Baltimore Montessori Public Charter School, Baltimore City

Baltimore Montessori is located in Greenmount West. The school proposed a geographic area preference for 30% of available seats. City Schools' approval was that 10% of seats could be set aside for families in an area smaller than that originally proposed.

Chesapeake Public Charter School, St. Mary's County

Chesapeake Charter is in Lexington Park, Maryland. The school leaders are working with St. Mary's County to increase the number of economically disadvantaged students who attend the school. Currently, 8.6% of the school's enrollment are eligible for free and reduced price meals, compared to 32% for St. Mary's County. The school is increasing its targeted outreach. A proposal of the school to provide a weight to students in this group will increase the number and proportion of eligible students over the next several years.

The Maryland State Department of Education will monitor implementation of the plans and the impact on student enrollment.

Study of Funding Provided to Public Schools and Public Charter Schools in Maryland

The Maryland General Assembly directed the MSDE to conduct a study of the amount of funding provided to all public charter schools and other public schools by all local school systems in the State. The primary purpose of the study is to "calculate the average operating expenditures by each local school system for students enrolled in a public school that is not a public charter school or stand-alone special education school, to be aggregated at the State level to serve as the baseline for determining commensurate funding for all public schools." (2015 Laws of Maryland, Chapter 311)

The research includes a review of operating expenditures made at the central office level, the operating expenditures made on behalf of individual public schools by each local school system, all sources of revenue, the statutory and regulatory restrictions for each source, the amount of funding being provided to both public charter schools and other public schools by the local school system, and the value of services being provided to public schools by the central office of the local school system. In addition, the study reviewed funding provided by public charter schools to third parties, the availability of federal funding for public charter schools, and potential sources of innovative financing for public charter school facilities. Finally, the study offers an assessment of whether there is a need to collect central office and school level expenditure data on an ongoing basis and what resources would be required to implement the recommendation. Financial data has been gathered from MSDE, every Maryland local school system, and every public charter school.

The complete report has been delivered to the Governor and the Maryland General Assembly.